

FISCAL NOTE

SB 170 - HB 310

March 6, 2007

SUMMARY OF BILL: Authorizes every child in Tennessee under the age of 24 whose parent retired with at least 25 years of full-time creditable service as a certified teacher in Tennessee, to receive a 25% discount on tuition to any state-operated institution of higher education.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$331,100 FY07-08
\$344,400 FY08-09**

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- There are 22,410 teachers retired with 25 or more years of service. Of that number 4,935 retired teachers are 59 years of age or younger.
- An estimated 633 full-time (FTE) students/dependents of retired teachers would take courses.
- The 25% tuition discount for each FTE student/dependent would be \$523 in FY07-08 and \$544 in FY08-09.
- First year costs (FY07-08) are estimated to be \$331,059 (633 x \$523 per FTE student).
- Second year costs (FY08-09) are estimated to be \$344,352 (633 x \$544 per FTE student).
- Tuition is estimated to increase at a rate of 4% per year.
- The children of teachers receiving tuition discounts for previous years provide a fair representation of children expected to receive tuition discounts in the future, adjusted for an expected participation rate for children of LEA support staff in proportion to current participants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director